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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 20th May, 1952

No. 16(4)-T.B./51.—The Tariff Board has submitted its report on the continuance of protection to the Grinding Wheels Industry. Its recommendations are as follows:—

(1) The protective duty on grinding wheels and segments of all kinds, other than those which are to be excluded from the scheme of protection, should be reduced from the existing rate of 105 per cent. *ad valorem*, including surcharge to 47½ per cent. *ad valorem* excluding surcharge or 50 per cent. *ad valorem*, including surcharge.

(2) The following types and sizes of grinding wheels should be excluded from the scheme of protection:—

- (i) Grinding wheels having (a) more than 21" diameter or (b) less than 1/8" or more than 7½" thickness or (c) more than 12½" bore;
- (ii) Diamond impregnated wheels;
- (iii) Thread grinding wheels; and
- (iv) Natural grinding stones of any shape or size.

(3) The industry should continue to receive protection for a further period of 3 years from 31st December, 1951, but in view of the uncertainty regarding the future trend of import prices and the changes contemplated by the firm in its pattern of production, the quantum of protection should be reviewed towards the end of 1953.

(4) The varieties of grinding wheels which are to be excluded from the scheme of protection should be subject to a revenue duty of 31½ per cent *ad valorem*.

(5) Grindwells should take all possible steps to expedite their deliveries and should also endeavour to maintain reasonable stocks of the varieties of grinding wheels which are in general demand and of those normally required by their regular customers.

(6) In addition to limiting the aggregate quantum of imports to the amount required to bridge the gap between domestic demand and production, preference should be given to imports of those types of grinding wheels and segments which the domestic industry does not propose to produce for the time being.

(7) The existing policy of placing all Government orders with the domestic industry for the varieties of grinding wheels and segments which can be manufactured locally should be continued.

(8) The concession hitherto granted to Grindwells to import synthetic abrasive grains free of duty should be continued up to 31st December, 1952 and extended to the new unit to be established by Messrs. Krishna Lal Thirani, if it comes into production before that date.

2. Government accept the recommendations of the Tariff Board subject to the following modifications:—

- (i) The protection duty will be reduced to 50 per cent. *ad valorem* exclusive of surcharge;
 - (ii) Thread Grinding Wheels will not be excluded from the scheme of protection,
 - (iii) The revenue duty on the de-protected categories of grinding wheels will be fixed at 25 per cent. *ad valorem* plus the usual surcharge.
3. Necessary steps will be taken to implement the recommendations.

K. N. KAUL, Joint Secy.